

***Moving to...***

***FOCUSED ALLOWANCE  
MAINTENANCE  
STRATEGY***

***NEW & EMERGING ALLOWANCE  
INITIATIVES***

FLSIC

Mar

'01

# ALLOWANCES

## THE CHANGING ENVIRONMENT

### PR 99

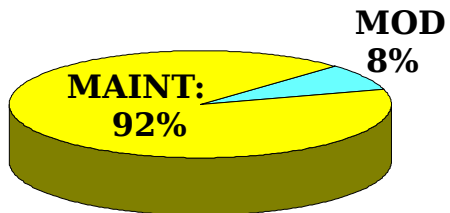
2 Types of Allowances -- 2 Methods of Getting

to Fleet  
↓

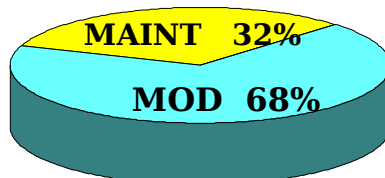
Modernization  
Maintenance →

Bi-weekly ~~ASI~~  
COSAL st  
ROI

~~COSAL CHURN~~



COSAL



Bi weekly  
ASI

TARGET: ALLOWANCE MAINTENANCE - Revised allowances for existing equipment installations ... CHURN

**Expense of a “revised bag of spare parts” with little ROI!**

# **ALLOWANCES**

## ***THE CHANGING ENVIRONMENT***

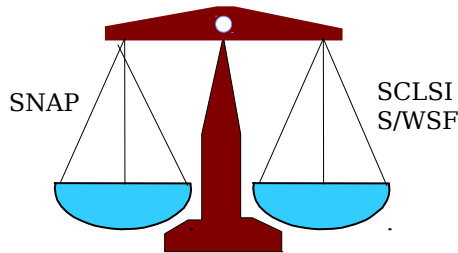
### **CDP/ACP**

- Initial Solution ... “Bounding”
  - Fix ships with greatest need vs. traditional “ship availability schedules and periodicity”
  - Promulgate modernization allowances via ASI
- Tools and Methods
  - COSAL Scheduling Metrics (CSM)
  - Allowance Control Panel (ACP - WEB based)
    - TYCOMs are decision makers

**Apportions scarce resources to modernization first  
selected re-optimizations last**

# CONTINUOUS INTEGRATED LOGISTICS SUPPORT - TARGETED ALLOWANCE TECHNIQUE (CILS-TAT)

A technique which discretely applies optimized allowances to a ship's existing SRF... purges allowances with no application or usage and targets systems with Not Carried 3M usage for allowance upgrade (adds)...reduces allowance churn

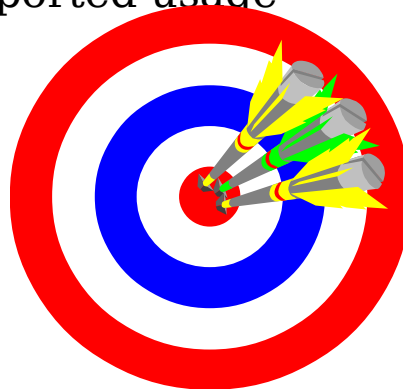


## Phase I: Surgical System and Validation Analysis (SSVA)

- Compare and synchronize ship's SNAP database and SCLSI/WSF
- Classwide analysis
- Selective shipboard validation (critical/problem

## Phase II: Targeted Allowancing Technique (TAT)

- Limits new allowances to APLs that have had Not Carried 3M usage
- Deletes/decreases for those APLs with no reported usage



## Status

- Implemented Jan '99...83 ships completed as of Feb '01
- Churn Reduced
  - Nbr & Cost of new allowances reduced
  - Nbr of deletes/decreases reduced
- Gross Effectiveness 1.23% better than traditional Re-COSAL

# ALLOWANCES

## *The next step ... minimize ASI Churn*

- Identified Causative Factors
  - Used FY98/FY99 Data
    - LSRI
    - New and Revised APLs
    - Pen & Inks
    - RIC Supercessions
- Assessed ROI
  - Determined Allowance Effectiveness Impact of Revised Allowances
  - Result: **.2%** Increase in AE at a Cost of \$12.8M per Annum



**Very Low Risk -- Little Effectiveness Im**

# Minimizing ASI Churn

## GOAL

- **Eliminate Random Churn generation ... demonstrated low ROI**

## APPROACH

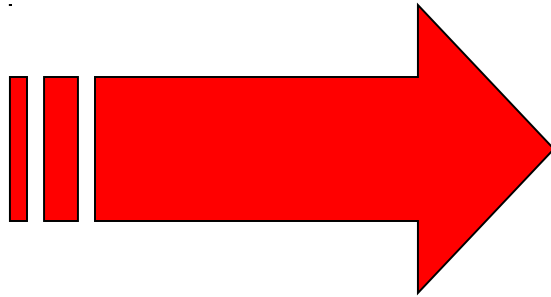
- **Allowance Churn Reduction Initiative (ACRI)**
  - NAVSEA Msg 011128Z Nov 99
  - Stop allowance generation for Revised APLs, Pen & Inks, Logistics Support Requests, and RIC Supercessions
  - Continue to generate maintenance and technical data
- **Observed impact on limited data (Jan - Dec '00)**
  - 0.0% impact across the Fleet
- **Migrate to a “Focused Allowance Maintenance Strategy”...FAMS**
  - Redirect resources ... NAVSEA/OPNAV concurrence

# INVESTMENT STRATEGY FOR TOMORROW'S READINESS



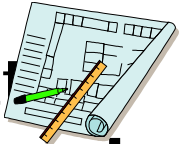
## Traditional

• Random  
Churn

• Small  
ROI



## New & Emerging

- CSM / CILS-TAT ☒
- Problem Equipment
- Problem Ships
- ACIP/Recompute ☒
- Specific Parts
- Specific Ships
- Trouble Equipment ☒
- Specific Equipment
- Fleetwide

Disciplined Quantitative Approach with Readiness Payb

# FAMS

## ***Trouble Equipment Approach***

- Identification: Evaluate two years worth of Supply Issue and Maintenance records for Fleet & ship class/ship group where:
  - Maintenance is Deferred due to Lack of N/C Parts (G/J 3M Source Codes)
  - Filter out misc/non-critical items (e.g., lavatory, lighting fixtures, etc)
- Normalize data by System Installed Population
- Stratify data by EIC (System) across Fleet, Ship Class/Groups, TYCOM



# The Road Ahead...

- **Finalize Analytical Approach/Process for Trouble Equipment/Systems Identification, include**
  - Repetitive Parts failures
  - CASREP data
  - # of Ships w/ N/C hits Vs. # of Ships w/ Installed Equip/System
- **CINC & TYCOM Review/Update (Feb & Mar '01)**
- **Develop Decision Tool/Forum**
  - Expand COSAL Scheduling Metrics...CSM
    - System/Equipment/Part Analysis & Recommendations including...
      - Assessing Impact of Re-Allowancing on N/C hits
  - Cost Estimator...CILS TAT & Trouble Equip/Systems
  - Expand Allowance Control Panel...ACP
    - TYCOM/CINC Menu Selections for Final Decisions

**Provides a Viable/Quantified Budget Tool**

